

UNC Performance Assurance Committee Minutes

Monday 20 January 2020

at Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA

Attendees

Lorraine O'Shaughnessy (Chair)	(LOS)	Joint Office
Helen Cuin (Secretary)	(HCu)	Joint Office
Alex Travell *	(AT)	Transporter Member
Alison Wiggett	(AW)	Shipper Member
Bob Fletcher	(BF)	Joint Office
Carl Whitehouse	(CW)	Shipper Member
Edward Fyfe *	(EF)	Transporter Member
Fiona Cottam	(FC)	Observer, Xoserve
Hilary Chapman	(HCh)	SGN
Karen Kennedy *	(KK)	Shipper Member
James Rigby	(JR)	Observer, Xoserve
Lisa Saycell *	(LS)	Shipper Member
Mark Jones	(MJ)	Shipper Member
Neil Cole	(NC)	Observer, Xoserve
Richard Pomroy *	(RP)	Alternate Transporter Member
Rhys Kealley *	(RK)	British Gas (Item 5 only)
Sallyann Blackett	(SB)	Shipper Member
Sally Hardman *	(SH)	SGN
Sara Usmani	(SU)	PAFA
Sean Cooper	(SC)	Shipper Member
Shelley Rouse	(SR)	PAFA

Apologies

Leteria Beccano	(LB)	Transporter Member
Louise Hellyer	(LH)	Shipper Member
Max Pemberton	(MP)	Observer, Xoserve

* via teleconference

Copies of non-confidential papers are available at: www.gasgovernance.co.uk/pac/200120

1. Introduction and Status Review

Lorraine O'Shaughnessy (LOS) welcomed all parties to the meeting and confirmed that this meeting was an additional PAC meeting for development and therefore classed as an 'Open Meeting'. LOS advised attendees that no commercially sensitive data would be discussed and confirmed the meeting objectives as agreed at the 14 January PAC meeting would cover the following areas:

- Review 2020 Workplan
- Review the Project Plan
- Review risk topics
- Collate feedback on any ideas going forward
- Review what aspects of reporting need to change to support PAC's role
- Review inflight UNC modifications to gain a better understanding of what reports need to be developed.
- Confirmed that existing Actions would be addressed at the next PAC meeting in February.

1.1 Apologies for absence

See above table.

1.2 Note of Alternates

Richard Pomroy for Leteria Beccano

1.3 Quoracy Status

The Committee meeting was confirmed Quorate.

1.4 Approval of Later Papers

The Committee had no late papers to approve.

2. PAC Annual review and project plan

Shelley Rouse (SR) provided two papers for the Committee to review; the Draft PAC Workplan and the Draft PAC Project Plan.

SR advised that the annual Workplan sets out the areas of focus for the year ahead and incorporates the current Risk Register items. SR provided an overview of the project plan which provided target dates for key considerations. These were, Steering and Control; Performance Reports; Risk and Issue Register; Risk Model; PAC Development; and PAC/PAFA Development. The spreadsheet provided the status of the project and the key target dates. SR confirmed that the project plan will be maintained by the Performance Assurance Framework Administrator (PAFA) and once approved by PAC it will be published on the main PAC webpage.

SR reported that PAC have a Data Service Contract (DSC) ringfenced budget of £75k per year, summarising the current money spent. Richard Pomroy (RP) asked if any underspend would be accrued. SR explained that the PAC budget needs to be approved and highlighted that in the past the budget has been spent in full, she therefore challenged if the £75k expected budget would be enough going forward.

RP highlighted that the Xoserve budget is due to be approved by the board later this week. James Rigby (JR) confirmed at the moment £75k has been allocated to PAC and also questioned if the ringfenced amount would be enough. RP clarified this would have to be a consideration by the DSC Contract Management Committee. Hilary Chapman (HCh) suggested if PAC needed to seek an increase in the budget a case for extra funding would need to be put forward to the DSC Contract Management Committee with clear justification for any extra funding.

JR explained what the difference was between utilising the ringfenced budget and the management of new Modifications. He clarified that requirements that PAC want to fulfil (requested directly from PAC) would come out of the ringfenced amount. Whereas new Modifications requiring additional performance objectives and supporting reports would not come out of the ringfenced budget.

FC also clarified that the £75k would have to be used on reporting requirements, she explained there is a set scope for using the budget and it is not an open spend. If for example PAC wanted to commission a piece of work outside of reporting this would need to be justified and requested.

FC believed until PAC work out how much change there is likely to be, the delivery mechanisms and costs, it is uncertain if the £75k budget would be enough. It was recognised this would need further consideration especially when the Data Discovery Platform (DDP) ramps up implementation.

Carl Whitehouse (CW) suggested PAC need to plan for the budget spend better and it would be beneficial for PAC to have regular budget spend updates to monitor the usage of the budget and plan ahead. It was agreed that PAC should have a standing agenda item for PAC budget updates on budget spend from February and Xoserve would provide regular updates.

Sean Cooper (SC) enquired if there was a process for clearly identifying Modifications that would have an impact on PARR Reporting. SR believed that Rebecca Hailes had looked into additional prompts with the Modification Template to highlight the need for parties to do this and as a result, a standard agenda item had been added to the PAC agenda to ensure members consider inflight Modifications that require performance monitoring.

HCh re-emphasised that the Xoserve budget is very near to being approved and if there was to be an increase in budget this would need to be supported with careful monitoring for the year and a demonstration of what extra budget is required and why.

3. PAFA DDP and data provision update

SR provided a presentation of the PAFA DDP Development. SR reported that PAFA have been working closely with the DDP BETA testing team on the implementation of the PAFA insights module. The first DDP drop for PAFA will include: Transfer read performance; Estimated reads and no reads for 1 to 4+ years.

SR explained PAFA have received feedback from the industry and wanted to clarify that the DDP will not provide PAFA any additional information to what they have now, it is simply PARR on a different platform. They will not see all data within the DDP as there are strict constraints.

Sean Cooper (SC) asked if there is a requirement for PAFA to have access to additional data items. SR confirmed that existing PARR reports that need to be significantly amended following the workshop will need to go through the UNCC for approval. If approved Modification 0707, will recognise PAFA on the Data Permissions Matrix (DPM), however the DSC will still need to approve access to new data items.

JR clarified data items will only be provided by agreement. Modification 0707S - Introducing 'Performance Assurance Framework Administrator' as a new User type to the DPM, will provide transparency over what data items are available to different parties. Anything above and beyond this would need to be asked for. He reassured parties there are still controls.

SC enquired if there was a process for managing the availability of data items. SC was keen to understand and have a clear process for accessing data.

JR confirmed that the DPM is a spreadsheet which lists data items, some data items are for settlement purposes and some are not, some items PAFA will see and others PAFA won't see.

SR referred to the workshop held in October explaining, this is still in flight and PAC need to establish what they want and ensure they use the appropriate governance process to obtain access. CW asked if there is a defined process. SR provided a slide which illustrated the PARR report process. SR explained three ways in which a PARR Report can be requested or amended. These were:

1. Changes proposed to an existing PARR report
2. PAC identify the need for a new PARR report
3. Implementation of UNC Modification requiring the creation of a PARR report

It was understood if a UNC Modification is implemented and the Modification defines the report, the report creation would form part of the implementation process and the UNCC would need to approve the report. SC enquired about the likelihood of an approved Modification with PARR Reporting being rejected at the stage of UNCC approval. FC explained that once a Modification has been approved for implementation the management of establishing the report is part of Modification's implementation process. JR explained that there needs to be a clear specification of the report requirement and not an open-ended scope. The Modification needs to be clear what PAC/PAFA need to see and if access to new data items is required. The Committee considered the process where reports are not clearly defined and the possibility the UNCC could reject the report. FC explained there would have to be clear reasoning for rejecting a report once a Modification has been directed for implementation. FC went onto to explain that in essence if the UNCC rejected a report that supported a Modification to improve Settlement this would have to be escalated.

FC confirmed there will be a set of permissions which record what data items PAFA can have access to. JR confirmed a data list needs to be established and work has already started on this. He confirmed an initial list has been approved by the DSC Contract Management Committee and a further list will be presented.

The committee considered how to best document the data items. JR assured the Committee this will be documented, and this would be business as usual. Where there is a change, a case will need to be made for new permissions, and this will be taken to DSC Contract Management Committee for justification, consideration and approval.

SR expressed concern about the PAFA potentially being blocked out of seeing critical data items. JR explained that contractually PAFA can have access to data and Modification 0707S will document this. JR did highlight there will be some data items that would not be required in support of settlement. FC explained that there is a separation for performance data and ability to see Meter Points. FC clarified PAFA cannot drill down to Meter Points. JR confirmed DSC Contract have already approved the list of data items PAFA can have access to.

FC stressed the importance of settlement and Unidentified Gas (UIG) to the industry. It was suggested, if performance monitoring is required to assist improving UIG but parties voted against the implementation of a Modification, that it would improve settlement and UIG and would be like the industry voting to accept UIG. HCh explained where there is clear justification for access to data it will be considered and appropriately approved.

CW wished to understand the likelihood of DSC Contract rejecting access to a data item that has been approved via a Modification. JR explained the constituency of the DSC Contract Management Committee and the opportunity to challenge any approval issues.

4. PARR report change process

No further discussion see item 3.0 above.

5. PAC related Modifications and PARR requirements

5.1 Modification 0672 – Target, Measure & Report Product Class 4 Read Performance (MB)

LOS confirmed the purpose of the Modification and FC provided an overview of the obligations along with the required reporting tools to support the change. FC referred to Appendix 11 which outlined the content of the PARR report to support monitoring the new obligations.

FC explained that the objective is to provide a report on the percentage population not meeting the targets.

The Committee considered how product Class changes and transfer of site ownership would be captured within the report. Karen Kennedy (KK) asked if there was any danger with what the report could portray. FC explained there is a 30-day grace period for example for sites transferring ownership to allow parties to meet read targets.

SR asked how materiality can be assessed with the numbers being provided. FC explained that PAC could request a PAC version of the report with a count to understand the materiality percentage or actual numbers could be requested. This could be added to the Modification as a requirement or requested separately by PAC.

It was suggested a PAC version of the report ought to be outlined within the Modification.

New Action 0107: Scottish Power (SC) Proposer to consider incorporating a PAC version of the performance report for Modification 0672.

5.2 Modification 0674 - Performance Assurance Techniques and Controls (MB)

LOS confirmed the purpose of the Modification. Upon receiving an overview of the Modification from Xoserve the Committee believed there was no current PARR reporting.

5.3 Modification 0690 – Reduce qualifying period for Class 1.

Rhys Kealley (RK) introduced the Modification and confirmed there is no additional reporting requirements. FC confirmed there is a cross reference in the Modification to XRN4867, she clarified that the reporting requirements are captured within Modification 0691S.

5.4 Modification 0691S - CDSP to convert Class 2, 3 or 4 meter points to Class 1 when G1.6.15 criteria are met

RK introduced the Modification and the intention of the change. He confirmed there is a role for PAC in that the process still relies on Shippers, Suppliers and DN customers. When there is a failure to move sites to Class 1 the CDSP will step in. It was questioned what powers PAC should have when there are failures to move sites to Class 1. FC provided an overview of the reports within the appendix and explained the back-stop arrangements. FC clarified if a Shipper does not move the site within 28 supply point business days the CDSP will have the obligation to step in. This involves some preliminary checks to ensure the change is not already in flight or undergoing a site transfer.

FC provided an overview of the number of reports required to support the obligation to convert sites to Class 1. FC confirmed that one report will report Shipper and CDSP conversions, this will provide an indication if Xoserve/CDSP are regularly or always having to undertake conversions for particular Shippers. The second report will provide a count of meter points and the AQs of sites that cross over the threshold, this will be anonymous. A further report will be produced for PAC purposes.

RK noted that the Workgroup will be considering the reports at the next Workgroup Meeting. There were no questions raised by PAC members.

RK confirmed that there is another 2-3 Workgroup meetings, and it is anticipated that the Workgroup Report will be presented to the Panel in March. Draft Legal text has been made available and the formal Legal text is expected to be requested at the February panel meeting.

5.5 Modification 0699 - Incentivise Read Submission Performance using additional Charges (SC)

LOS confirmed the purpose of the Modification and FC provided an overview of the Modification and the required reporting.

RK explained there has been a lot of pushback at the Distribution Workgroup and it's been a challenge to keep a momentum. He confirmed that the mechanism proposes financial penalties for not meeting targets.

CW believed that the reporting hasn't yet been defined as the Modification still requires some development. It was not clear what the reporting requirements will be. There was a need to find a sensible way of tracking performance and a way of tacking the reports to establish if the same sites are not being read. It was recognised that the solution and required reporting still needs to be defined.

CW asked if the Modification provided enough incentive to target sites that are failing meter provision month on month. There was also further consideration on how to incentivise reads for the larger impacting sites and if there was an incentive to keep AQs low.

The committee briefly considered the must-read process. RP had a view that Transporters should not be providing a back-stop service where suppliers can't secure a read, on the basis that if a Transporter can access a site the Supplier should be able to. He clarified that Transporters do provide certain reads for large supply point annuals and monthly. HCh stressed the need to fix the problems up front.

It was agreed that further Workgroup discussions are required before considering the reporting requirements.

5.6 Modification 0707S - Introducing 'Performance Assurance Framework Administrator' as a new User type to the Data Permissions Matrix

The Committee briefly recapped earlier conversations. See item 3.0.

5.7 Modification 0664 - Transfer of Sites with Low Read Submission Performance from Class 2 and 3 into Class 4

Mark Jones (MJ) confirmed this item can now be removed from the agenda as the Workgroup Report is due to be concluded and the required reports have been discussed and finalised.

5.8 Any Other changes

No further items requested for discussion.

6. Action plan for recommendations arising from 0677R

LOS introduced 0677R - Shipper and Supplier Theft of Gas Reporting Arrangements, and advised PAC attendees that the Workgroup Report had been published on 01 November 2019 with recommendations and welcomed CW to provide an update. (published at <https://www.gasgovernance.co.uk/0677>).

CW confirmed there were 16 recommendations, with a need to consider what the next steps would be and a sponsor for the changes recommended if required.

The PAC Members recognised there are a number of issues with benefits to the industry if the risk can be managed. PAC attendees considered whether these are still live issues that PAC can influence. SC recommended PAC members should review the risk register.

CW was keen for PAC to identify some next steps, quick wins, and the need for UNC Modifications.

Sallyann Blackett (SB) suggested in relation to the PAC Risk Register each PAC member should sponsor a risk and have responsibility for addressing it. SH advised that she would update the Risk Register with each recommendation identified and categorise as required below.

The Committee reviewed each of the 16 0677R Workgroup Report Recommendations and agreed some next steps for PAC:

Recommendation	Next Steps	Sponsor
1	Modification 0704 raised.	SGN.
2	Potential IGT Modification.	Alex Travell to consider.
3	Potential UNC Modification.	Sponsor Required.
4	Recommendation linked to item 3. Potential UNC Modification.	Sponsor Required.
5	Potential PAC Report.	PAC to consider required reporting see New action 0108.
6	Potential UNC Modification.	Sponsor Required.
7	Theft Risk Assessment Service (TRAS) validation	Sponsor Required.
8	Mandatory items for recording theft.	Sponsor Required.
9	Ability for TRAS to input theft volumes.	Sponsor Required.
10	Possible change to settlement systems or TRAS.	Sponsor Required.
11	Recommendation linked to item 3. Potential UNC Modification.	Sponsor Required.
12	Potential PAC Report.	PAC to consider required reporting.
13	Assurance activities linked to 12. Potential PAC Report.	PAC to consider required reporting.

14	Potential PAC Report.	PAC to consider required reporting.
15	UNC and DSC parties to consider historical theft.	Sponsor Required.
16	UNC and DSC parties to review UNC Reasonable Endeavours scheme.	Xoserve to follow up.

New Action 0108: PAFA to draft a potential PARR report to measure reported theft, AQ correction and corrected volumes.

New Action 0109: Xoserve to provide some high-level Theft of Gas statistics for PAC to consider the next steps for Workgroup 0677R recommendations.

New Action 0110: PAFA to add all the Workgroup 0677R recommendations to the PAC Risk Register to log and monitor progress.

7. Assessment of risk topics

SR provided a brief update on the focus of read submissions and not having a full suite of metering reports. Improved reporting is expected through Modification 0707S.

8. Any Other Business

None raised.

9. Next Steps

LOS advised PAC attendees that points addressed during this meeting would be discussed further in future closed PAC meetings and if there is a requirement for a further Open Meeting that this would be agreed during these meetings.

10. Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/events-calendar/month

Time/Date	Paper Publication Deadline	Venue	Programme
10:30, Tuesday 11 February 2020	5pm Monday 03 February 2020	Elexon, 350 Euston Road, London, NW1 3AW	Agenda published
10:30, Tuesday 10 March 2020	5pm Monday 02 March 2020	Radcliffe House, Blenheim Court, Warwick Road, Solihull, B91 2AA	Standard Agenda
10:30, Tuesday 14 April 2020	5pm Thursday 02 April 2020	Elexon, 350 Euston Road, London, NW1 3AW	Standard Agenda
10:30, Tuesday 12 May 2020	5pm Friday 01 May 2020	Radcliffe House, Blenheim Court, Warwick Road, Solihull, B91 2AA	Standard Agenda
10:30, Tuesday 09 June 2020	5pm Monday 01 June 2020	Elexon, 350 Euston Road, London, NW1 3AW	Standard Agenda

PAC Action Table (as at 20 January 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
PAC 1106	12/11/19	4.5	Xoserve (FC) and PAFA (SR) to start the process to update PARR Reports to include Modification 0654 PARR Specification.	Xoserve (FC)	Carried Forward
PAC 1202	10/12/19	1.5	Xoserve (FC) to ensure Document 4 PAFA Scope Definition is updated.	Xoserve (FC)	Carried Forward
PAC 1205	10/12/19	2.2	Xoserve (JR) to provide supporting articulation i.e. 'what is going on' in the PARR Report Dashboard.	Xoserve (JR)	Carried Forward
PAC 1206	10/12/19	3.2	Joint Office (RH/HC) to establish if the PAC Documents; Performance Assurance Framework - Performance Reports Register and Performance Assurance Report Register should be published on the UNC Related Document page at: http://www.gasgovernance.co.uk/tpddocs	Joint Office (RH/HC)	Further consideration Carried Forward
PAC 1207	10/12/19	3.2	Xoserve (FC) and Joint Office (RH) to review the governance of the Performance Assurance Framework - Performance Reports Register and Performance Assurance Report Register.	Xoserve (FC) Joint Office (RH)	Further consideration Carried Forward
PAC 0101	14/01/20	1.5	Xoserve and PAFA to review the 2020 scheduled meetings and consider the potential options available (e.g. extract data earlier, move meetings, pre-approve late papers) to support the timely provision of meeting documentation.	PAFA (SR) Xoserve (FC)	Pending
PAC 0102	14/01/20	1.5	PAFA and Xoserve to provide clarity on the process of data provision outlining what processes are followed and a timeline illustrating the critical dates.	PAFA (SR) Xoserve (FC)	Pending
PAC 0103	14/01/20	1.5	Xoserve to update the Product Class Churn Table and provide site movement scenarios.	Xoserve (FC)	Carried Forward
PAC 0104	14/01/20	1.5	PAC members to Review Document 4 PAFA Scope Definition and provide feedback to Xoserve via the Joint Office, on what they believe the requirements are.	PAC Members	Pending
PAC 0105	14/01/20	1.5	Xoserve to provide an overview of what is in the current PAFA contract providing a	Xoserve (FC)	Pending

			marked-up Document 4 PAFA Scope Definition capturing any mismatches.		
PAC 0106	14/01/20	4.2	PAFA (SR) to provide a one-page proposal for representing PAC at key industry meetings for PAC to formally approve.	PAFA (SR)	Pending
Open PAC Meeting Actions:					
OPAC 0107	20/01/20	5.1	Scottish Power (SC) Proposer to consider incorporating a PAC version of the performance report for Modification 0672.	Scottish Power (SC)	Pending
OPAC 0108	20/01/20	6.0	PAFA to draft a potential PARR report to measure reported theft, AQ correction and corrected volumes.	PAFA (SR)	Pending
OPAC 0109	20/01/20	6.0	Xoserve to provide some high-level Theft of Gas statistics for PAC to consider the next steps for Workgroup 0677R recommendations.	Xoserve (FC)	Pending
OPAC 0110	20/01/20	6.0	PAFA to add all the Workgroup 0677R recommendations to the PAC Risk Register to log and monitor progress.	PAFA (SR)	Pending